



**May 21, 2019**

**Item No. 8**

**AUTHORIZATION TO ENTER INTO A DEVELOPMENT AGREEMENT FOR THE MIXED-INCOME DEVELOPMENT OF THE FORMER MADDEN WELLS DARROW SITE**

Alderman: Sophia King                      Ward: 4<sup>th</sup>

Presenters: Ann McKenzie, Chief Development Officer

**Recommendation**

It is recommended that the Board of Commissioners of the Chicago Housing Authority (CHA) authorize the Chief Executive Officer (CEO) or his designee to: 1) Approve Oakwood Boulevard Associates, LLC as Developer for the Ida B. Wells, Darrow Homes, Wells Extension and Madden Park Homes Phase III Site; 2) Enter into a Development Agreement for the Mixed-Income Development; and 3) Execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.

The requested action in this item complies in all material respects with all applicable CHA Board policies and all applicable federal procurement regulations. Staff have completed all necessary due diligence to support the submission of this initiative.

**Funding**

None

**Background**

It is the intent of the CHA to implement a sustainable, community-sensitive revitalization program with the goal of creating a vibrant community on the remaining vacant CHA land that was formerly part of the Ida B. Wells, Darrow Homes, Wells Extension, and Madden Park Homes ("Madden/Wells/Darrow") public housing developments. These public housing developments originally contained approximately 3,267 units located on approximately 94 acres of land. CHA demolished the original structures by 2006. Over the last twelve years, CHA has worked in collaboration with its development partners, Oakwood Boulevard Associates ("OBA") and Granite Partners for Oakwood Boulevard ("GPOB"), to create 863 mixed-income housing units in the new Oakwood Shores development on a portion of the site.

## **Procurement**

**Rental Development.** On June 11, 2001, a request for proposal (“RFP”) was issued for the planning, redevelopment, and management of Phase 1 of a new mixed-income community formerly containing portions of each of the Madden/Wells/Darrow developments. The Community Builders (TCB) and Granite Development Corporation were selected as developers and sponsors for the Phase 1 rental and homeownership development and subsequently it was decided that they would only construct the rental portion of the redevelopment. The sponsors along with Ujima formed OBA development entity to enter into a Contract for Redevelopment of Phase 1 Rental.

Additionally, pursuant to the 2001 RFP, the Authority reserved the right to expand the selected developer’s role to include development of further phases. In April 2007 OBA was awarded Phase 2 of the rental portion of the redevelopment, and CHA entered into a Contract for Redevelopment of Madden/Wells/Darrow Phase II Rental. To date, OBA successfully completed the construction of the Phase 1 rental site and four of the five sub-phases of the Phase 2 rental contract with the fifth sub-phase in its planning stage. A total of 789 rental units have been completed on the Oakwood Shores site, of which 336 are for CHA families.

**For-Sale Development.** On July 21, 2003, an RFP was issued for for-sale residential housing at Madden/Wells/Darrow. The scope of work focused on the development of for-sale residential housing units in a mixed income setting and included units reserved for public housing residents.

On November 21, 2003, the GPOB received notice of its selection as the developer for Madden/Wells/Darrow For Sale Phase 1. On October 1, 2005, the Authority and GPOB executed the Development Agreement for Madden Wells Phase 1 Homeownership development. GPOB planned to build 129 for sale units. They completed 74 homeownership units as part of a development phase referred to as The Arches at Oakwood Boulevard.

In September 2016, Granite Development Corp. as the managing member of GPOB, requested to remove MB Real Estate Services as a member of the for-sale Phase 1 development team, and replace them with TCB. These changes are to be incorporated in a First Amendment to the Development Agreement for Madden Wells Phase 1 Homeownership.

## **Development Plan and Area**

To date, an area roughly bounded by 37<sup>th</sup> Street (north), 39<sup>th</sup> Street (south), Lake Park Place (east), and Rhodes Ave. (west) has been partially developed. The development area has considerable vacant lots remaining that need to be developed to complete the new community. In 2018, a master plan was completed for the site with a recommendation for the completion of what the planning group designated the “core of the Site.” CHA has been working with OBA and agrees that they are the right team to finish this core area.

### **Developer Information**

**Oakwood Boulevard Associates** is a partnership between The Community Builders, Inc, Granite Development Corp., and Ujima, Inc, and serves as the Developer of the Oakwood Shores mixed income development. Since 2001, the partners of Oakwood Boulevard Associates have demonstrated capacity by developing over 800 mixed-income rental and homeownership units at the former Ida B. Wells, Darrow Homes, Wells Extension and Madden Park Homes public housing sites.

**The Community Builders (TCB)** is a nonprofit real estate developer and owner. Founded in 1964, today TCB owns or manages 11,000 apartments in 14 states. TCB is headquartered in Boston with a regional hub in Chicago. In Chicago, TCB has developed nearly 2,000 units to date including the first 800+ units at Oakwood Shores.

**Granite Companies (Granite)** is a full-service real estate development and asset management business. Through a partnership with TCB, Granite has developed a mixed use residential property that includes 28,000 square feet of commercial space with a major medical tenant, a community center and over 800 units of mixed income rental housing along with 74 units of for-sale housing.

**Ujima, Inc.** was started by former residents of the Ida B. Wells, Madden Park Homes public housing development. Ujima, Inc. designs and implements an array of services to engage former CHA residents who have the right to return to CHA mixed finance communities and are in the process of successful relocation. Ujima provides a continuum of services necessary, not only for successful re-housing, but housing stability and community reintegration including jobs and self-sufficiency.

Respectfully Submitted:

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Ann McKenzie  
Chief Development Officer

**RESOLUTION NO. 2019-CHA-**

**WHEREAS,** the Board of Commissioners has reviewed the Board Letter dated May 21, 2019 entitled "Authorization to Enter into a Development Agreement for the Mixed-Income Development of the Former Madden Wells Darrow Site."

**THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY:**

**THAT,** the Board of Commissioners hereby authorizes the Chief Executive Officer or his designee to: 1) Approve Oakwood Boulevard Associates, LLC as Developer for the Ida B. Wells, Darrow Homes, Wells Extension and Maddens Park Homes Phase III Site; 2) Enter into a Development Agreement for Mixed-Income Development; and 3) Execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.

This award is subject to the Contractor's compliance with CHA's MBE/WBE/DBE/Section 3 hiring and insurance requirements.

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Eugene E. Jones, Jr.  
Chief Executive Officer  
Chicago Housing Authority